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MEDICAID MEMO

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New National Drug Code (NDC) Billing Requirement for Drug- Related HCPCS J-Codes – Effective July 1, 2007

To comply with Centers for Medicare and Medicaid Services (CMS) requirements related to the Deficit Reduction Act (DRA) of 2005, a change involving drugs administered in an office or other outpatient setting will become effective with dates of service on and after **July 1, 2007.** The Department of Medical Assistance Services (DMAS) will require providers billing for Fee- for-Service, Medicaid, and FAMIS prescription drug products administered in an office or outpatient setting using a drug-related Healthcare Common Procedure Coding System (HCPCS) **J-code** to include the NDC of the drug dispensed on all electronic (837P) and paper claims (CMS-1500) submissions. Effective **January 1, 2008** the quantity of each NDC submitted and the unit of measurement qualifier (F2, ML, GR or UN) will also be required.

Effective July 1, 2007

National Drug Code (NDC)

Each J-code submitted must be with a valid NDC or your claim will deny. To be considered valid, a NDC must be present in the correct field, in the correct format, use the 5-4-2 format (5- digits, followed by 4-digits, followed by 2-digits {99999888877}), and be found on the VAMMIS drug file. Each NDC must be an **11-digit code** unique to the manufacturer of the specific drug or product administered to the recipient. If there is more than one NDC comprised within the J-code, each applicable NDC must be submitted as a separate claim line.

Duplicate J-Codes to NDC

Each J-code submitted must have a corresponding NDC on each claim line or the line will reject. If the drug administered is comprised of more than one ingredient (i.e. compound or same drug different strength, etc.), each NDC must be represented on a claim line using the same J-code. DMAS has enhanced the

duplicate edit process to allow multiple J-codes on different lines if the NDC is different on each line.

Submitting NDC-Related Data via the 837 Professional Claim Format (ASC X12 837P v4010)

Please refer to the 837P Companion Guide located at: https://virginia.fhsc.com/hipaa/CompanionGuides.asp for details regarding the submission of J-codes along with the NDC updated on or after February 23, 2007.

Submitting NDC-Related Data via the Paper Claim Form (CMS-1500 {08-05})

Beginning July 1, 2007, paper claims (CMS-1500 {08-05}), must be submitted using a J-code entered in box 24D (open-unshaded area), with the corresponding 11-digit NDC number in box 24A (shaded area).

Locator 24A:

- Shaded: Enter the NDC qualifier of N4, followed by an 11-digit NDC number. Do not enter a space between the qualifier and the NDC. Do not enter hyphens or spaces within the NDC number and left justify. The NDC number being submitted to Medicaid must be the **actual** NDC number on the package or container from which the medication was administered. If the NDC is a 10-digit number, refer to the formatting examples within this memorandum to be certain that the submitted NDC is a properly formatted 11-digit NDC number.

Locator 24D:

- Open: Enter the J-code and a corresponding 2-character modifier (if applicable).

Locator 24G:

- Open: If applicable, enter the units provided for the J-code listed.

Converting NDCs from 10-digits to 11-digits

It should be noted that many NDCs are displayed on drug packaging in a 10-digit format. Proper billing of an NDC requires an 11-digit number in a 5-4-2 format. Converting NDCs from a 10- digit to 11-digit format requires a strategically placed zero, dependent upon the 10-digit format. The following table shows common 10-digit NDC formats indicated on packaging and the associated conversion to an 11-digit format, using the proper placement of a zero. The correctly formatted, additional "0" is in a **bold font and underlined** in the following example. Note that hyphens indicated below are used solely to illustrate the various formatting examples for NDCs. **Do not use hyphens when entering the actual data in your claim.**

Converting NDCs from 10-digits to 11-digits					
10-Digit Format on Package	**10-Digit Format Example**	**11-Digit Format**	**11-Digit Format Example**	**Actual 10-Digit NDC Example**	**11-Digit Conversion of Example**
4-4-2	9999-9999-99	5-4-2	**0**9999-9999-99	0002-7597-01 Zyprexa® 10mg Vial	**0**0002-7597-01
5-3-2	99999-999-99	5-4-2	99999-**0**999-99	50242-040-62 Xolair® 150mg vial	50242-**0**040-62
5-4-1	99999-9999-9	5-4-2	99999-9999-**0**9	60575-4112-1 Synagis ® 50mg vial	60575-4112-**0**1

Effective January 1, 2008

Effective January 1, 2008 the quantity of each NDC submitted and the unit of measurement qualifier (F2, ML, GR or UN) will also be required.

Submitting NDC-Related Data via the 837 Professional Claim Format (ASC X12 837P v4010)

The 837P Companion Guide located at https://virginia.fhsc.com/hipaa/CompanionGuides.asp will be modified to reflect the changes that need to be incorporated in the 837P transaction at least 60 days prior to the implementation date. To ensure you are accessing the correct version, please note that the update date will be **AFTER** February 23, 2007.

Submitting NDC-Related Data via the Paper Claim Form (CMS-1500 {08-05}), Effective January 1, 2008.

Beginning January 1, 2008, paper claims (CMS-1500 v08-05), along with submitting the J-code and the related NDCs, the quantity of each NDC submitted and the unit of measure will be required by DMAS. Claims submitted on or after January 1, 2008, will be denied if this additional information is not on your claim.

Locator 24D:

- Shaded: Enter the unit of measurement (UOM) qualifier. Valid qualifiers are: F2 (international unit), ML (milliliter), GR (gram), and UN (unit). The numeric quantity of the drug (greater than zero) administered to the patient must be entered after the qualifier. Enter the actual metric decimal quantity (units) administered to the patient. **If reporting a fraction of a unit, use the decimal point.** The maximum number of bytes allowed for the quantity is 13, including the decimal point. Nine numbers may precede the decimal point and three numbers may follow the decimal.

ELIGIBILITY AND CLAIMS STATUS INFORMATION

DMAS offers a web-based Internet option (ARS) to access information regarding Medicaid or FAMIS eligibility, claims status, check status, service limits, prior authorization, and pharmacy prescriber identification. The website address to use to enroll for access to this system is http://virginia.fhsc.com. The MediCall voice response system will provide the same information and can be accessed by calling 1-800-884-9730 or 1-800-772-9996. Both options are available at no cost to the provider.

COPIES OF MANUALS

DMAS publishes electronic and printable copies of its Provider Manuals and Medicaid Memoranda on the DMAS website at www.dmas.virginia.gov. Refer to the "DMAS Content Menu" column on the left-hand side of the DMAS web page for the "Provider Services" link, which takes you to the "Manuals, Memos and Communications" link. This link opens up a page that contains all of the various communications to providers, including Provider Manuals and Medicaid Memoranda. The Internet is the most efficient means to receive and review current provider information. If you do not have access to the Internet or would like a paper copy of a

manual, you can order it by contacting Commonwealth-Martin at 1-804-780-0076. A fee will be charged for the printing and mailing of the manuals and manual updates that are requested.

"HELPLINE"

The "HELPLINE" is available to answer questions Monday through Friday from 8:30 a.m. to 4:30 p.m., except on state holidays. The "HELPLINE" numbers are:

1-804-786-6273	Richmond area and out-of-state long distance
1-800-552-8627	All other areas (in-state, toll-free long distance)

Please remember that the "HELPLINE" is for provider use only. Please have your Medicaid Provider Identification Number available when you call.

PROVIDER E-NEWSLETTER SIGN-UP

DMAS is pleased to inform providers about the creation of a new Provider E-Newsletter. The intent of this electronic newsletter is to inform, communicate, and share important program information with providers. Covered topics will include upcoming changes in claims processing, common problems with billing, new programs or changes in existing programs, and other information that may directly affect providers. If you would like to receive the electronic newsletter, please sign up at www.dmas.virginia.gov/pr-provider_newletter.asp.

Please note that the Provider E-Newsletter is not intended to take the place of Medicaid Memoranda, Medicaid Provider Manuals, or any other official correspondence from DMAS.